

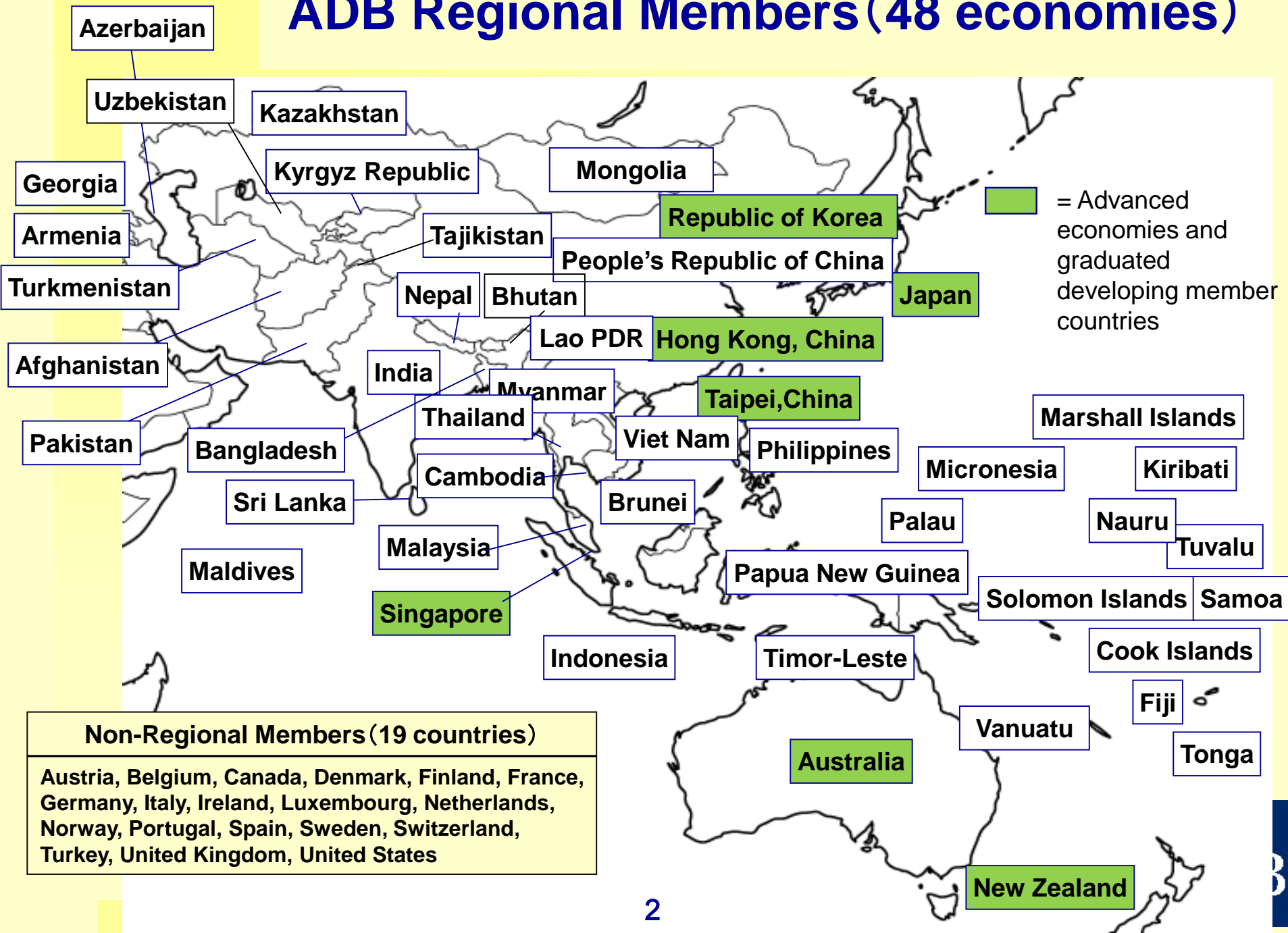
Asian Development Bank

October 2015

President
Takehiko Nakao



ADB Regional Members (48 economies)



Country Data(2014)

	Population (million)	GDP (\$ billion)	Per capita GDP (\$)
People's Rep. of China	1,367.5	10,355	7,572
India	1,259.7	2,048	1,626
Indonesia	251.5	856	3,404
Pakistan	186.3	233	1,275
Bangladesh	158.2	187	1,179
Philippines	99.4	290	2,913
Viet Nam	90.6	188	2,073
Thailand	68.6	380	5,550
Myanmar	51.4	65	1,270
Republic of Korea	50.4	1,449	28,739

(reference: advanced economies)

Japan	127.1	4,770	37,540
United States	318.5	17,416	54,678
Germany	80.9	3,820	47,201
France	64.0	2,902	45,384
United Kingdom	64.5	2,848	44,141

Note: 2014 data are estimates. Pakistan's GDP and per capita GDP data are for 2013.

Source: *World Economic Outlook* October 2014 database.

Growth Rate (%)

	2014	2015 (Forecast)	2016 (Forecast)
Developing Asia	6.2	5.8	6.0
People's Rep. of China	7.3	6.8	6.7
India	7.3	7.4	7.8
Indonesia	5.0	4.9	5.4
Pakistan	4.1	4.2	4.5
Bangladesh	6.1	6.5	6.7
Philippines	6.1	6.0	6.3
Viet Nam	6.0	6.5	6.6
Thailand	0.9	2.7	3.8
Myanmar	7.7	8.3	8.2
Republic of Korea	3.3	2.7	3.4

Source: *Asian Development Outlook 2015 Update (September 2015)*

Asian Development Bank (ADB)

Headquarters Manila, Philippines

Founded in 1966

67 Members

Authorized Capital \$ 153.1 billion* (end 2014)

Major shareholders (capital share %): Japan (15.7%), United States (15.6%), PRC (6.5%), India (6.4%)

* Paid-in capital (including \$1.6bn committed but not paid yet): \$7.7bn
Callable capital: \$145.4bn

Annual Loan/Investment Approval \$13.1 billion (2014)

Loan Outstanding \$83.4 billion (end 2014)

Top recipients: India, PRC, Pakistan, Viet Nam, Philippines

Staff 2,990 (including international staff 1,074) (Dec. 2014)

Contribution by Members

- Ordinary Capital Resources (Capital Share/ Voting Power Share)
 - Japan (15.7%/ 12.8%), United States (15.6%/ 12.7%), PRC (6.5%/ 5.5%), India (6.4%/ 5.4%), Australia (5.8%/ 4.9%), Canada (5.3%/ 4.5%), Indonesia (5.1%/ 4.4%), Korea (5.1%/ 4.3%), Germany (4.3%/ 3.8%), others (30.2%/ 41.6%)
- Asian Development Fund (Cumulative Contribution)
 - Japan (37.9%), United States (14.2%), Australia (7.6%), Canada (6.1%), Germany (5.9%), United Kingdom (5.0%), France (4.3%), others (19.0%)
- International Staff (Head Count: 1,074) (December 2014)
 - Japan (151), United States (146), India (79), Australia (65), PRC (62), Korea (50), Canada (46), United Kingdom (43), Philippines (42), Germany (41), Indonesia (33), Pakistan (32), France (29), others (255)

ADB Operations

- ADB provides loans, grants and technical assistance to developing member countries in Asia and the Pacific.
- Loans are financed from ordinary capital resources (OCR) and Asian Development Fund (ADF).
 - OCR loans are provided to middle-income countries (per capita income \leq \$7,185) at quasi market rate.
 - ADF loans are provided to low income countries (per capita income \leq \$1,215) at concessional terms (long maturities, low interest rate including grants)
- Grants are offered to countries with limited debt repayment capacity
e.g. Afghanistan, Cambodia, Lao PDR
- Technical assistance includes capacity building, project preparation, and research for developing members.

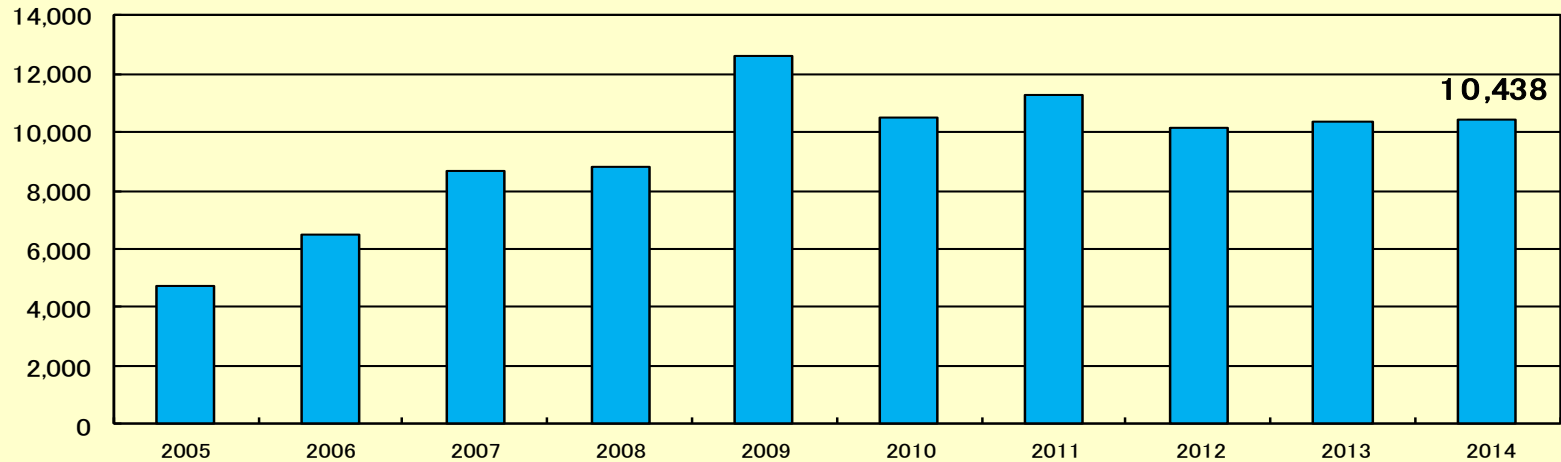
	2014 Approvals	2014 Outstanding	Equity
OCR	\$10.44 billion	\$ 55.9 billion	\$ 16.9 billion*
ADF	\$ 2.69 billion	\$ 27.5 billion	\$ 31.5 billion
Grants	\$ 0.41 billion		
Technical Assistance	\$ 0.16 billion		

• *As of 31 December 2014. Including Paid-in capital (\$6.1bn) and ordinary reserves (accumulated retained earnings: \$10.8bn)

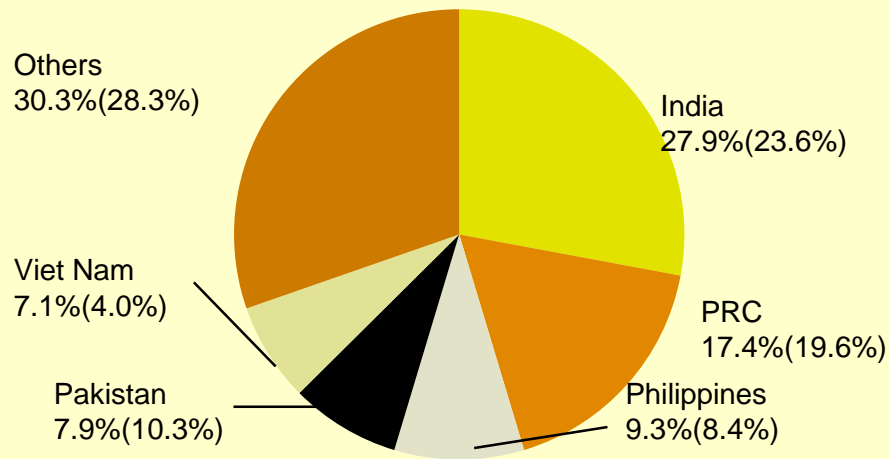
ADB Operations

Ordinary Capital Resources (OCR) Operations Approvals (\$ million)

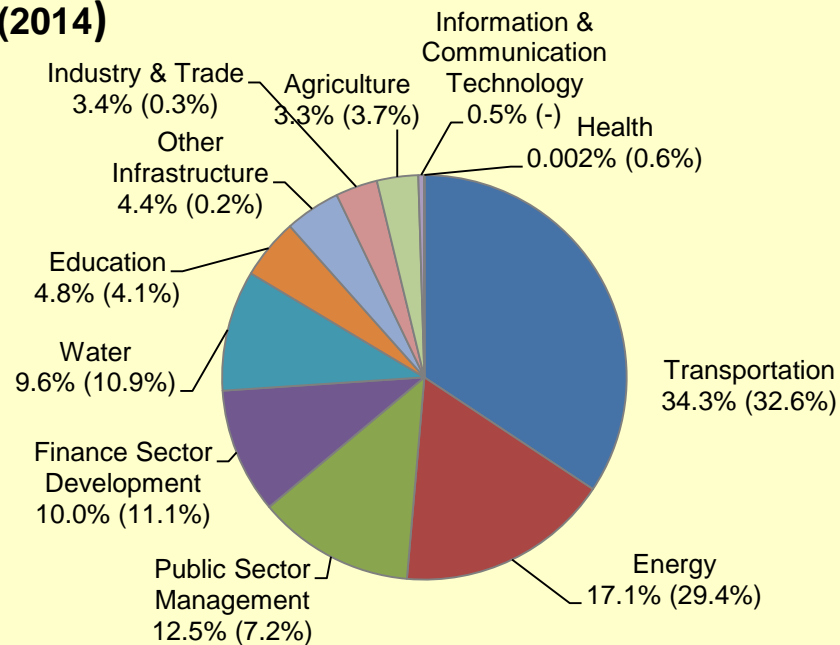
[USD million]



By country (2014)



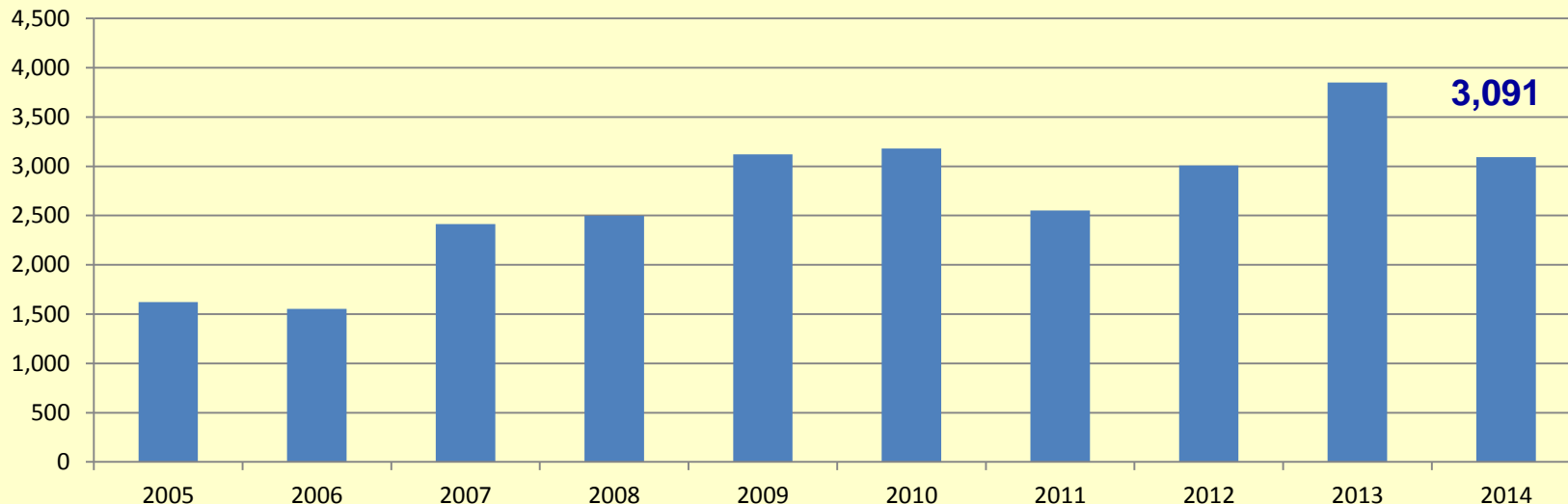
By sector (2014)



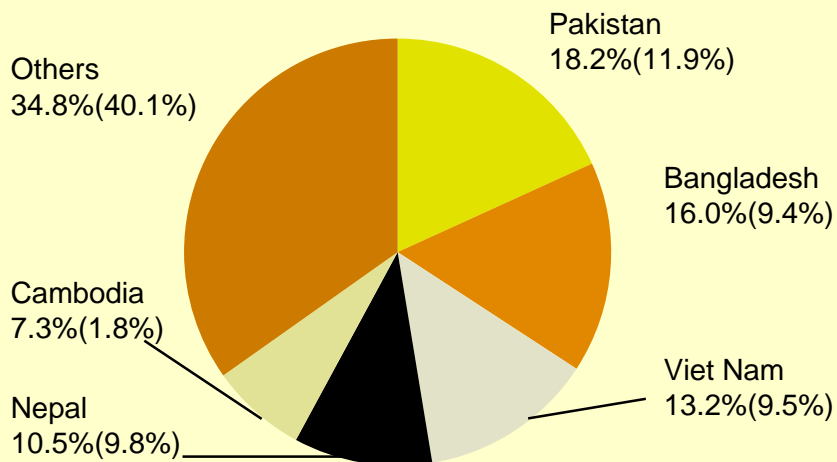
Note: Bracketed numbers are from 2013.

Asian Development Fund (ADF) Operations Approvals (\$ million)

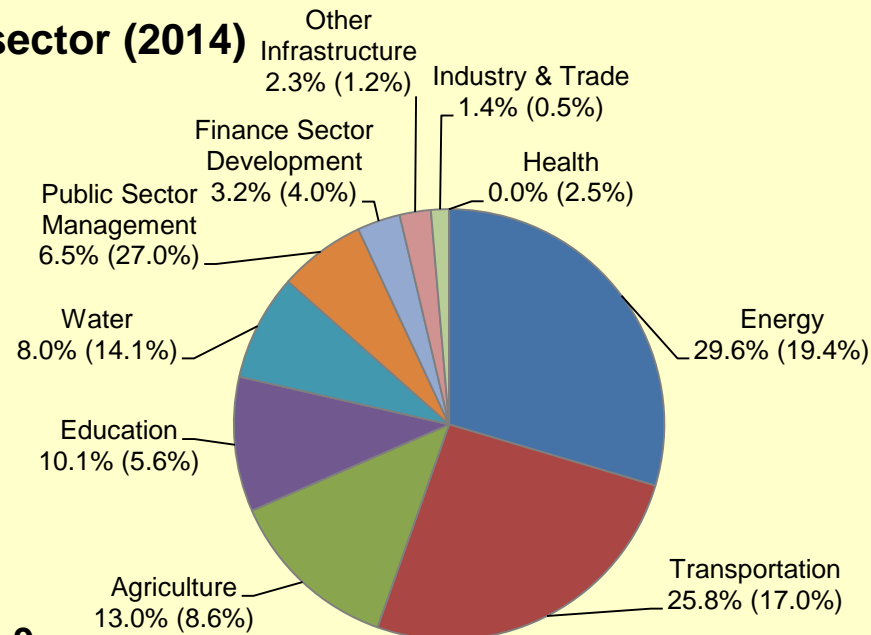
USD million



By country (2014)



By sector (2014)

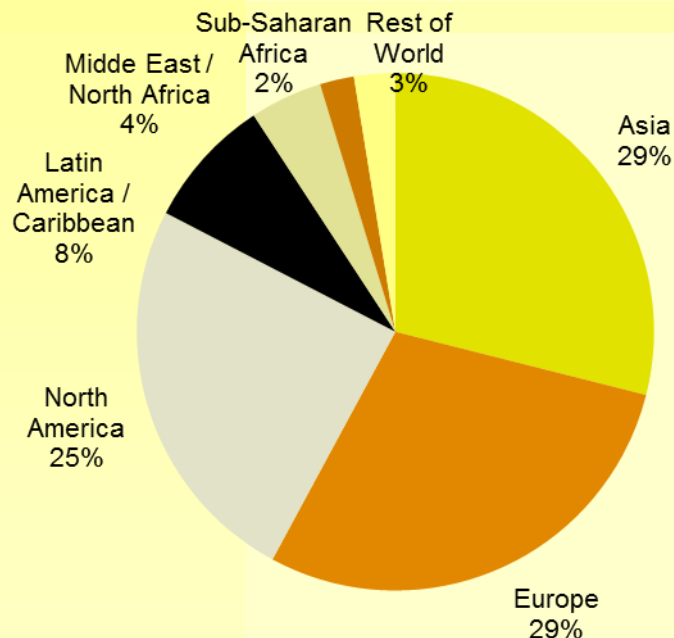


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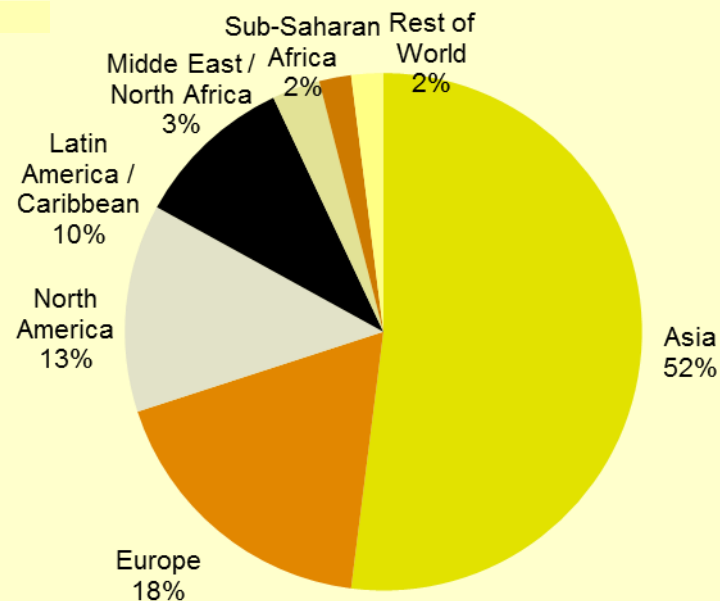
“Asian Century” Scenario (global GDP composition)

<Source: “Asia 2050”, which is a study in 2011 commissioned by ADB>

Present (2013)



“Asian Century” Scenario (2050)



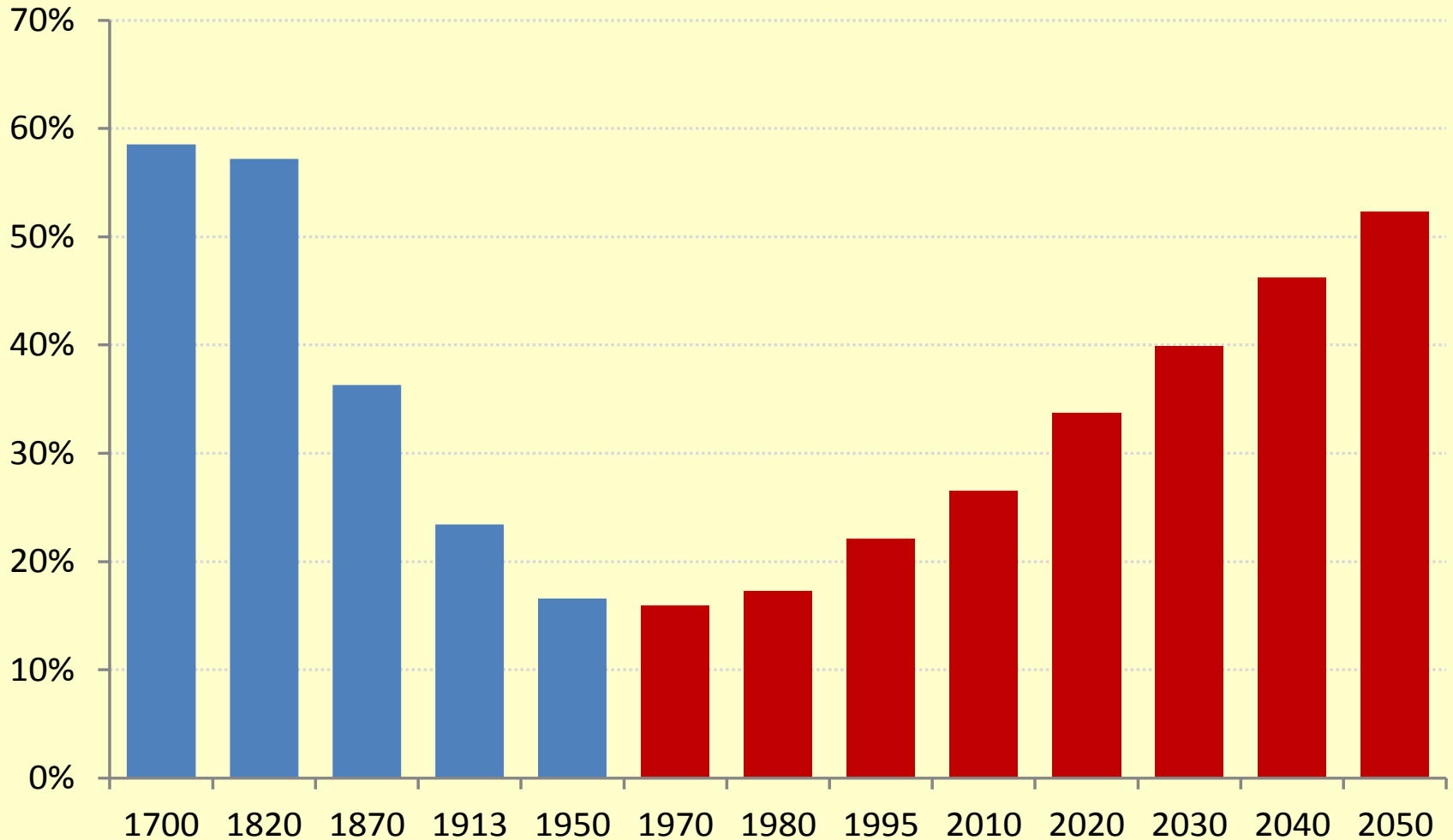
Asia's GDP: \$22 trillion (market FX rate)
Asia's per capita GDP: \$10,078 (PPP)

Asia's GDP: \$174 trillion (market FX rate)
Asia's per capita GDP: \$40,800 (PPP)

Population (billion) and Share (%)

	2013	2050
Asia	3.97 (56%)	4.76 (52%)
World	7.15 (100%)	9.15 (100%)

Asian Share of World GDP



Source: Asia 2050: Realizing the Asian Century

Poverty in ADB Developing Member Countries

Year	Population (million)	\$1.25 per day			\$2.00 per day		
		Number of Poor (million)	Poverty Incidence	Share of World Poor	Number of Poor (million)	Poverty Incidence	Share of World Poor
1999	3,104 (51%)*	1,236	39.8%	70.3%	2,129	68.6%	72.3%
2005	3,337 (51%)*	886	26.5%	64.5%	1,786	53.5%	69.3%
2011	3,547 (51%)*	544	15.3%	53.8%	1,398	39.4%	64.7%

* Ratio to the world population (6,051 million in 1999; 6,514 million in 2005; 6,998 in 2011)

Eight Conditions for Economic Development

- Op-ed by President Nakao, Nikkei Asian Review (Feb 5, 2015) -

1. Infrastructure investment
2. Investment in health and education
3. Macroeconomic stability
4. Open trade and investment regimes: including streamlining regulatory framework and reforming state-owned enterprises
5. Public governance: anti-corruption, efficiency of delivering services and quality of regulations
6. Social inclusiveness: sharing development fruits
7. Vision for the future
8. Political stability, security, and good relations with neighboring countries

ADB's Long-Term Strategic Framework: Strategy 2020 (formulated in 2008)

- Vision: An Asia and Pacific Free of Poverty
- Strategic Agendas
 - 1) Inclusive Economic Growth
 - 2) Environmentally Sustainable Growth
 - 3) Regional Integration
- Core Areas of Operations
 - 1) Infrastructure
 - 2) Environment
 - 3) Regional Cooperation and Integration
 - 4) Finance Sector Development
 - 5) Education

The Three “I”s

- Innovation - Inclusiveness - Integration

(President Nakao's speech, ADB Annual Meeting in May 2013)

Midterm Review of Strategy 2020

-Meeting the Challenges of a Transforming Asia and the Pacific-

(approved by the Board on 23 April, 2014)

ADB's Strategic Priorities for 2014-2020

1. Poverty Reduction and Inclusive Economic Growth
2. Environment and Climate Change
3. Regional Cooperation and Integration
4. Infrastructure Development
5. Middle-Income Countries
6. Private Sector Development and Operations
7. Knowledge Solutions
8. Financial Resources and Partnerships
9. Delivering Value for Money in ADB
10. Organizing to Meet New Challenges

Reforming ADB

- Enhancing lending capacity up to \$20 billion or by up to 50% over the current level, by combining Asian Development Fund (ADF)'s equity and lending operations to the Ordinary Capital Resources (OCR) balance sheet.
- Streamlining procurement
- More authorities delegated to Resident Missions.
- The office of Public-Private Partnership established.
- 7 Sector Groups (Transport, Energy, Health, Education etc.) and 8 Thematic Groups (Gender, Governance, Environment etc.) reconstituted with full time secretariats.
- Talent management and workforce planning
- Private sector operations strengthened through more rational interpretation of equity headroom, introduction of a facility for small non-sovereign transactions, and etc.

ADB TO DOUBLE ANNUAL CLIMATE FINANCING TO \$6 BILLION FOR ASIA-PACIFIC BY 2020

(announced on 25 September 2015)

- Doubling ADB's annual climate financing to \$6 billion by 2020, from the current \$3 billion.
 - \$4 billion for mitigation through scaling up support for renewable energy, energy efficiency, sustainable transport, and building smart cities.
 - \$2 billion for adaptation through more resilient infrastructure, climate-smart agriculture, and better preparation for climate-related disasters.
- Continuing to explore cofinancing with Green Climate Fund and other partners. Mobilizing greater private resources. Issuing more green bonds.
- Strengthen partnerships with centers of excellence to provide cutting-edge knowledge and expertise